

ORIGINAL

COMMISSIONERS  
GARY PIERCE - Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS



OPEN MEETING ITEM



0000140575

ARIZONA CORPORATION COMMISSION

RECEIVED  
DOCKET CONTROL

2012 NOV 26 PM 12 39

DATE: NOVEMBER 26, 2012

DOCKET NOS.: SW-20494A-06-0769 and W-20495A-06-0769

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Jibilian. The recommendation has been filed in the form of an Order on:

GLOBAL WATER-PICACHO COVE WATER COMPANY AND  
GLOBAL WATER-PICACHO COVE UTILITES COMPANY  
(SECOND ORDER EXTENDING TIME DEADLINES CONTAINED  
IN DECISION NO. 70312)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

DECEMBER 5, 2012

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

DECEMBER 11, 2012 and DECEMBER 12, 2012

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

NOV 26 2012



ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

[www.azcc.gov](http://www.azcc.gov)

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE - Chairman  
4 BOB STUMP  
5 SANDRA D. KENNEDY  
6 PAUL NEWMAN  
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF  
9 GLOBAL WATER-PICACHO COVE UTILITIES  
10 COMPANY FOR A CERTIFICATE OF  
11 CONVENIENCE AND NECESSITY.

DOCKET NO. SW-20494A-06-0769

12 IN THE MATTER OF THE APPLICATION OF  
13 GLOBAL WATER-PICACHO COVE WATER  
14 COMPANY FOR A CERTIFICATE OF  
15 CONVENIENCE AND NECESSITY.

DOCKET NO. W-20495A-06-0769

DECISION NO. \_\_\_\_\_

**SECOND ORDER EXTENDING  
TIME DEADLINES CONTAINED IN  
DECISION NO. 70312**

16 Open Meeting  
17 December 11 and 12, 2012  
18 Phoenix, Arizona

19 **BY THE COMMISSION:**

20 Having considered the entire record herein and being fully advised in the premises, the  
21 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

22 **FINDINGS OF FACT**

23 1. Global Water-Picacho Cove Water Company ("Picacho Water") and Global Water-  
24 Picacho Cove Utilities Company ("Picacho Utilities") are wholly owned subsidiaries of Global  
25 Water, LLC, which is itself a wholly owned subsidiary of Global Water Resources, Inc.

26 2. On December 8, 2006, Picacho Water and Picacho Utilities (collectively "Picacho")  
27 filed with the Arizona Corporation Commission ("Commission") a joint application for Certificates  
28 of Convenience and Necessity ("CC&Ns") to provide water and wastewater service in two separate  
areas totaling approximately 1,480 acres and located approximately 3 and 4 miles east of the City of  
Eloy in Pinal County, Arizona ("CC&N area").

3. The owners of the properties in the CC&N area formally requested water and  
wastewater service from Picacho in December 2007 and intended to develop the land primarily for

1 single-family residential purposes, with development to begin within approximately one year after the  
 2 Commission granted CC&Ns.<sup>1</sup>

3 4. On April 24, 2008, the Commission issued Decision No. 70312, granting Picacho  
 4 Water and Picacho Utilities CC&Ns to provide water and wastewater service in the CC&N area,  
 5 subject, *inter alia*, to the following:

- 6 a. Picacho Utilities' filing, as a compliance item in this docket, within 30 days  
 7 after the effective date of the Decision, a tariff containing specified wastewater  
 8 service rates and charges;
- 9 b. Picacho Water's filing, as a compliance item in this docket, within 30 days  
 10 after the effective date of the Decision, a tariff containing specified water  
 11 service rates and charges;
- 12 c. Picacho's filing, as a compliance item in this docket, within 3 months after the  
 13 effective date of the Decision, a copy of a bill or bills for both companies, in a  
 14 form acceptable to Staff and including specified information;<sup>2</sup>
- 15 d. Picacho's filing, as a compliance item in this docket, within 365 days after the  
 16 effective date of the Decision, copies of Picacho's Pinal County franchises;
- 17 e. Picacho Utilities' filing, as compliance items in this docket, within 2 years  
 18 after the effective date of the Decision, the following:
  - 19 i. Copies of Picacho Utilities' General Permits for the collection system  
 20 for Phase 1 of the initial phase of the Picacho Citrus and Langley  
 21 Picacho Views developments, and
  - 22 ii. A copy of Picacho Utilities' Aquifer Protection Permit; and
- 23 f. Picacho Water's filing, as compliance items in this docket, within 2 years after  
 24 the effective date of the Decision, the following:
  - 25 i. Copies of Picacho Water's Approval to Construct for Phase 1 of the  
 26 initial phase of the Picacho Citrus and Langley Picacho Views

27  
 28 <sup>1</sup> Decision No. 70312 at 8, 11.

<sup>2</sup> It does not appear that this filing has been made in this docket.

1 developments;

2 ii. Either a copy of Picacho Water's Approval to Construct for an arsenic  
3 treatment system or a copy of Picacho Water's ADEQ approval of an  
4 arsenic blending plan; and

5 iii. A copy of Picacho Water's Designation of Assured Water Supply  
6 ("DAWS") for the CC&N area.

7 5. On May 19, 2008, Picacho Water and Picacho Utilities filed their tariffs for water  
8 utility service and wastewater utility service. On July 23, 2008, the Commission's Utilities Division  
9 ("Staff") issued Notices of Compliance stating that the tariffs filed had been approved as in  
10 compliance with Decision No. 70312.

11 6. On April 24, 2009, Picacho Water and Picacho Utilities filed a Notice of Filing their  
12 Pinal County water and wastewater franchises, which had been granted by the Pinal County Board of  
13 Supervisors on April 15, 2009.

14 7. On April 23, 2010, Picacho Water and Picacho Utilities jointly filed a Motion for  
15 Extension of Time, requesting that the April 24, 2010, deadline to file the items described in Findings  
16 of Fact No. 4(e) and (f) be extended to October 30, 2012.

17 8. On July 19, 2010, Staff issued a Memorandum stating that it was not unreasonable for  
18 Picacho to seek an extension of time based on postponed development in the real estate market and  
19 the economic downturn. Staff noted that Picacho had provided Staff with an updated request for  
20 service from the developer on July 2, 2010. Staff stated that it did not object to Picacho's request for  
21 an extension of the filing deadlines until October 30, 2012.

22 9. On September 28, 2010, the Commission issued Decision No. 71900 extending the  
23 deadline to October 30, 2012, for Picacho Utilities to file copies of its General Permits for the  
24 collection system for Phase 1 of the initial phase of the Picacho Citrus and Langley Picacho Views  
25 developments and to file a copy of its Aquifer Protection Permit. Decision No. 71900 also extended  
26 the deadline to October 30, 2012, for Picacho Water to file copies of Picacho Water's Approval to  
27 Construct for Phase 1 of the initial phase of the Picacho Citrus and Langley Picacho Views  
28 developments, to file either a copy of Picacho Water's Approval to Construct for an arsenic treatment

1 system or a copy of Picacho Water's ADEQ approval of an arsenic blending plan, and to file a copy  
2 of Picacho Water's Designation of Assured Water Supply for the CC&N area.

3 10. On October 30, 2012, Picacho filed a second Motion for Extension of Time,  
4 requesting an extension of the deadlines granted by Decision No. 71900 to October 30, 2015.  
5 Picacho attached to the motion renewed request for service letters from the two landowners in the  
6 CC&N area.<sup>3</sup> Therein, Picacho notes that the Memorandum of Understanding it entered with the City  
7 of Eloy regarding regional planning, water resources management, and economic development,  
8 related to the CC&N area still remains in effect. Picacho states that it would be inappropriate to  
9 proceed with the DAWS, APP and other permits, when they are not necessary at this time.

10 11. On November 13, 2012, Staff filed a Memorandum addressing Picacho's filing. Staff  
11 states that based on the economic downturn and decline in housing construction in Arizona, and  
12 based on the updated request for service letters from the property owners in the CC&N area, it  
13 recommends that Picacho be granted a second extension of time. Staff states that because Picacho  
14 has already received one two-year extension of time for the same compliance items, Staff  
15 recommends a two year extension of time until October 30, 2014.

16 12. For the reasons cited in Decision No. 71900, it is reasonable and appropriate to grant  
17 Picacho the extension of time it requests, until October 30, 2015, to file with Docket Control, as  
18 compliance items in this docket, the documents described in Findings of Fact No. 4(e) and (f).

### 19 CONCLUSIONS OF LAW

20 1. Picacho Water and Picacho Utilities are public service corporations within the  
21 meaning of Article XV of the Arizona Constitution and A.R.S. Title 40, Chapter 2.

22 2. The Commission has jurisdiction over Picacho Water and Picacho Utilities and the  
23 subject matter of their joint second Motion for Extension of Time.

24 3. It is reasonable to extend, to October 30, 2015, the deadlines for Picacho Water and  
25 Picacho Utilities to file the documents described in Findings of Fact No. 4(e) and (f).

26  
27  
28 <sup>3</sup> Picacho Citrus 930, LLC and LLF Picacho Citrus, LLC and Langley Picacho Views 160, LLC.

4. It is not necessary for the Commission to hold an evidentiary hearing before extending the deadlines for Picacho Water and Picacho Utilities to file the documents described in Findings of Fact No. 4(e) and (f).

**ORDER**

IT IS THEREFORE ORDERED that the deadline for Global Water-Picacho Cove Utilities Company to file the following with the Commission's Docket Control, as compliance items in this docket, as required by Decision No. 70312, is hereby extended to October 30, 2015:

1. Copies of Picacho Utilities' General Permits for the collection system for Phase 1 of the initial phase of the Picacho Citrus and Langley Picacho Views developments, and
2. A copy of Picacho Utilities' Aquifer Protection Permit.

IT IS FURTHER ORDERED that the deadline for Global Water-Picacho Cove Water Company to file the following with the Commission's Docket Control, as compliance items in this docket, as required by Decision No. 70312, is hereby extended to October 30, 2015:

1. Copies of Picacho Water's Approval to Construct for Phase 1 of the initial phase of the Picacho Citrus and Langley Picacho Views developments,
2. Either a copy of Picacho Water's Approval to Construct for an arsenic treatment system or a copy of Picacho Water's ADEQ approval of an arsenic blending plan, and
3. A copy of Picacho Water's Designation of Assured Water Supply for the CC&N area.

...

...

...

...

...

...

...

...

...

...

1 IT IS FURTHER ORDERED that all other provisions of Decision No. 70312 shall remain in  
2 effect.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

5  
6 CHAIRMAN

COMMISSIONER

7  
8 COMMISSIONER

COMMISSIONER

COMMISSIONER

9  
10 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
11 Executive Director of the Arizona Corporation Commission,  
12 have hereunto set my hand and caused the official seal of the  
13 Commission to be affixed at the Capitol, in the City of Phoenix,  
14 this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR:

GLOBAL WATER-PICACHO COVE UTILITIES  
COMPANY and GLOBAL WATER-PICACHO COVE  
WATER COMPANY

4 DOCKET NOS:

SW-20494A-06-0769 and W-20495A-06-0769

6 Michael W. Patten  
7 Timothy J. Sabo  
8 ROSHKA, DEWULF, & PATTEN, PLC  
9 One Arizona Center  
10 400 East Van Buren Street, Suite 800  
Phoenix, AZ 85004  
Attorneys for Global Water-Picacho Cove  
Utilities Company and Global Water-Picacho  
Cove Water Company

11 Graham Symmonds, Senior Vice President  
12 GLOBAL WATER MANAGEMENT  
13 21410 North 19<sup>th</sup> Avenue, Suite 201  
Phoenix, AZ 85027

14 Janice Alward, Chief Counsel  
15 Legal Division  
16 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

17 Steven M. Olea, Director  
18 Utilities Division  
19 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007